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JEPPI NUT OWNER PLEADS GUILTY TO OBSTRUCTION OF JUSTICE

BALTIMORE, Maryland - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced that Theodore Pavlos, age 53, of Towson, Maryland, pled guilty today before United States District Judge Andre M. Davis to one count of obstruction of justice arising out of an inspection conducted in May of 2002 by the Federal Food and Drug Administration ("FDA") of the Jeppi Nut Company's Baltimore facilities.

According to the statement of facts introduced by the government at the plea proceeding, Pavlos was the majority owner and president of SCT Corporation which operates under the name Jeppi Nut Company. Jeppi Nut, which was located on North High Street in Baltimore, Maryland, distributed and sold nuts, popcorn, bulk candies and other food supplies. The company roasted nuts, popped corn and packaged various food items at its Baltimore site.

According to the statement of facts, inspectors from the FDA conducted a routine inspection of the Jeppi Nut facilities in April of 2002. Sometime prior to that inspection, Jeppi Nut had expanded its operations to include a second building nearby at 808 Low Street. Pavlos did not post any signs or otherwise indicate that his company was operating in the Low Street building. He also denied having any operations in that building when asked by the inspectors. During that April

inspection, the inspectors uncovered evidence of unsanitary conditions and rodent infestation.

Following that inspection, FDA received a tip from a Jeppi Nut employee that the company was indeed manufacturing and storing food products in the Low Street building. On May 21, 2003, the FDA inspectors returned and asked Pavlos if he was operating out of the Low Street site. Pavlos again denied that he had any operations at Low Street and told the inspectors that he would have an employee open the building for them that day. While the inspectors waited for an employee to arrive at the Low Street building, Pavlos left the High Street premises and did not return for the rest of the day. As a result, the inspectors were unable to inspect the Low Street building that day.

According to the statement of facts, at about 9:00 p.m. that evening an FDA inspector drove by the Jeppi Nut company on High Street and saw Jeppi Nut employees moving items out of the Low Street building and taking them to a nearby garage at 418 Colvin Street. The next morning, FDA inspectors returned to the Jeppi Nut Company and gained entry to the Low Street building. In the course of that visit, the inspectors found a peanut frying machine and other evidence that the facility had recently been used for processing and packaging food products. They also found evidence of unsanitary conditions and rodent infestation. The inspectors also gained entry to the garage on Colvin Street where they found Jeppi Nut food products and packaging materials. The inspectors determined that those items also were unsanitary and defiled by rodents and insects.

Pavlos faces a maximum penalty of 5 years imprisonment and a fine of \$250,000. Sentencing is scheduled for November 20, 2003 at 3:00 pm.

The case was investigated by the U.S. Food and Drug Administration's Office of Criminal Investigation and is being prosecuted by Assistant United States Attorney Kathleen O. Gavin.